

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS  
(Jointly Administered)

**JOINDER AND STATEMENT IN SUPPORT OF ASSURED GUARANTY CORP. AND  
ASSURED GUARANTY MUNICIPAL CORP. WITH RESPECT TO AMBAC ASSURANCE  
CORPORATION'S MOTION TO STRIKE CERTAIN PROVISIONS OF THE AMENDED  
PLAN SUPPORT AGREEMENT BY AND AMONG THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO, CERTAIN GO HOLDERS, AND CERTAIN  
PBA HOLDERS**

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Court Judge Laura Taylor Swain:

Assured Guaranty Corp. (“AGC”) and Assured Guaranty Municipal Corp. (f/k/a Financial Security Assurance Inc.) (“AGM,” and together with AGC, “Assured”) hereby respectfully submit this joinder and statement in support (“Joinder and Statement in Support”) with respect to the relief sought in *Ambac Assurance Corporation’s Motion To Strike Certain Provisions Of The Amended Plan Support Agreement By And Among The Financial Oversight And Management Board For Puerto Rico, Certain GO Holders, And Certain PBA Holders* (ECF No. 13573) (the “Motion to Strike”<sup>2</sup>), and further state that:

1. As discussed in the Motion to Strike and in previous filings by Assured incorporated by reference herein,<sup>3</sup> the Amended POA contains numerous infirmities that render it unconfirmable. Like Ambac, Assured intends to object to the Amended DS and Amended POA at the appropriate time.

2. In light of the many infirmities of the Amended POA, Assured agrees with Ambac that the proposed Breakup Fee contemplated by the Amended PSA must be stricken as it prevents the Oversight Board from pursuing alternative paths towards the Commonwealth’s reorganization. Additionally, Assured agrees that any provision in the Amended PSA that improperly binds the Oversight Board to the Amended POA—which has no possibility of being confirmed—and that causes the Oversight Board to contravene the directions and requirements of PROMESA, should also be stricken.

3. Through this Joinder and Statement in Support, Assured joins in the relief requested in the Motion to Strike. Assured, therefore, respectfully requests that the Court (a)

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion to Strike.

<sup>3</sup> See, e.g., ECF Nos. 11497 § II; 12687; 12871.

enter an order, substantially in the form attached to the Motion to Strike as Exhibit 1, striking (i) the Breakup Fee provision within the Amended PSA; (ii) the Oversight Board's covenant to prevent parties in interest from bringing claim objections; (iii) if the Breakup Fee is not stricken, the provision within the Amended PSA that purports to set aside the automatic stay with respect to actions that would trigger the Breakup Fee; and (iv) the provisions within the Amended PSA that give certain Amended PSA Creditors an impermissible veto over the form and substance of any plan of adjustment the Oversight Board proposes or debt securities to be issued thereunder, and (b) grant such further relief as the Court deems just and proper.

Dated: New York, New York  
August 25, 2020

CASELLAS ALCOVER & BURGOS P.S.C. CADWALADER, WICKERSHAM & TAFT LLP

By: /s/ Heriberto Burgos Pérez

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By: /s/ Howard R. Hawkins, Jr.

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**CERTIFICATE OF SERVICE**

I hereby certify that I filed this document electronically with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to all parties of record in the captioned case.

At New York, New York, the 25th day of August, 2020.

By: /s/ Howard R. Hawkins, Jr.  
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\* admitted *pro hac vice*